

Press Release

The Kudelski Group reinforces its presence in China and unveils its new digital TV R&D Center in Beijing

Cheseaux, Switzerland – November 11, 2009 - The Kudelski Group (SIX:KUD.VX), the world's leading provider of media content protection and value-added service technology, announces the opening of its new digital TV Research & Development center and office in Beijing, China. The Kudelski Group will be holding an official ceremony and a press event today to celebrate and promote the official opening of the new facility.

The Kudelski Group has been present in China since 1999 with Nagravision, a fully-owned company and worldwide leading supplier of open conditional access systems, Digital Rights Management and integrated on-demand solutions for content providers and digital TV operators. Nagravision's solutions are currently being used by some of China's leading pay TV operators including Beijing Gehua Cable TV Network (BGCTV), Chinese Suzhou Digital Television Company, Oriental Cable Network (OCN) and CMMB mobile TV operator CBC (previously China Satellite Mobile CSM).

Sustainable footprint expansion in China

Over the past ten years, Nagravision has substantially expanded its footprint on the high potential, fast-developing great Chinese market, in parallel to the growth of its customers. In 2008, Nagravision was selected as the conditional access provider for the nationwide mobile TV CMMB service which was launched for the Beijing 2008 Olympic Games. This represented a further important step in the Group's sustainable development on this market.

In tune with the local digital TV market

The creation of a new digital TV R&D center and office in Beijing demonstrates the Kudelski Group's firm belief that the Chinese market has a strong growth potential for its core DTV activities.

With its new R&D center and office in Beijing, Kudelski will furthermore have an embedded view on the Chinese end-users needs and preferences.

The Kudelski Group is also present on the middleware and advanced advertising markets in China through its affiliated company OpenTV which runs a significant operation in China with around 150 Beijing-based employees. As strategic partners, Nagravision and OpenTV are actively cooperating in the digital TV sector and have built sustainable relations with some key partners.

100 experts in digital television

To better support the growth of the Asian digital television market, the new R&D center in Beijing will initially employ some 100 digital TV experts in the areas of Research & Development, Sales and Services and Integration Services. The team could be further expanded in the future to support business developments of the Group.

The new R&D center will cover the following areas of expertise:

- System development for the Chinese market
- Customization of Nagravision solutions for Chinese customers
- Middleware related activities
- Mobile TV related activities
- Tools development
- Innovation
- Integration and testing

Strong local engineering skills

With its 10 years presence in the Chinese market, the Kudelski Group has been able to build strong relations with local partners and experts. André Kudelski, Chairman and CEO of the Kudelski Group, said: “By establishing its R&D center in Beijing, the Kudelski Group is simultaneously getting closer to the largest potential market in the world and is building a high added value competence center for the global market.” He also stressed that “The choice of Beijing has been motivated by the quality and the availability of the engineers issued from highly renowned universities in the Beijing area and by the proximity to key partners of the Kudelski Group in this region”. Some promising joint R&D projects with local customers are already in the pipeline.

Overall, the Beijing R&D center will help the Kudelski Group to better balance its global cost structure in the above mentioned areas.



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Photos of the inauguration ceremony will soon be available on www.nagra.com => Media Center => Media Library

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Note to the editor

About the Kudelski Group and Nagravision

The Kudelski Group (SIX: KUD.VX) is a world leader in digital security and convergent media solutions for the delivery of digital and interactive content. Its technologies are used in a wide range of services and applications requiring access control and rights management to secure the revenue of content owners and service providers for digital television and interactive applications across broadcast, broadband and mobile delivery networks. The Kudelski Group is also a world technology leader in the area of access control and management of people or vehicles to sites and events. It additionally offers professional recorders and high-end hi-fi products. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland. For more information, please visit www.nagra.com

Nagravision, a Kudelski Group company, is the leading supplier of open conditional access systems, DRM and integrated on-demand solutions for content providers and digital TV operators over broadcast, broadband and mobile platforms. Its technologies are currently being used by more than 120 leading Pay-TV operators worldwide securing content delivered to over 114 million active smart cards and devices. Please visit www.nagravision.com for more information.

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